UNITED STATES DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

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INSERTS

for

SUMMARIES of FLUID MILK MARKETING ORDERS

Revised to May 1, 1948

The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948. These inserts revise the Federal orders as effective on May 1, 1948.

(2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the average price per pound of Plymouth Twins (or Cheddars), divided by 7, times 1.3, times 3.5;

(3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5, plus an amount computed as follows: Average price per pound of nonfat dry milk solids (carlots, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area), minus 5.5 cents, times 8.5, times .965; or

(4) The Class III price.

Class I - Basic formula price plus 75 cents during May and June, $1.05 during September through December, and 95 cents during all other months. (For the months of May, June, July, and August 1948, basic formula price plus $1.05.)

Class II - Basic formula price plus 15 cents during May and June, 45 cents during September through December, and 35 cents during all other months.

Class III - Average of prices paid for 3.5 per cent milk at the following plants:

Van Camp Milk Company,	Wauseon, Ohio
Pet Milk Company,	Delta, Ohio
Defiance Milk Products Company,	Defiance, Ohio
Pet Milk Company,	Hudson, Michigan

Butterfat Differentials:

Class I Price - Price per pound of Chicago 92-score butter, times 1.3, divided by 10.

Class II Price - Price per pound of Chicago 92-score butter, times 1.25, divided by 10.

Class III Price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Producer Price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Location Differentials:

None.

Fort Wayne, Indiana

Marketing Area:

Fort Wayne and territory within 4 miles of corporate limits (exclusive of the City of New Haven).

Handler:

(1) A person who operates a fluid milk plant, i.e., a processing or distributing plant, approved by the health authorities of the marketing area, from which one or more routes is operated wholly or partially within the marketing area.
(2) A cooperative association with respect to milk caused to be delivered to a fluid milk plant from farms for which the association is authorized to receive payment, or producer milk diverted from a fluid milk plant to a non-fluid milk plant for the account of the association.

Producer:

Person who is certified by appropriate health authorities to produce milk for disposition within the marketing area in the form of fluid milk.

Classification:

Class I - Fluid milk, skim milk, buttermilk, flavored milk or milk drinks (not in Class III), and unaccounted-for milk.

Class II - Cream, cream and milk mixtures (at least 6 per cent butterfat), and eggnog.

Class III - Milk products not in Classes I and II; skim milk, flavored milk and milk drinks, or buttermilk dumped or disposed of for livestock feed; bulk skim milk disposed of to a manufacturer of candy, soup, or bakery products (who does not dispose of milk in fluid form); ice cream mix disposed of to a commercial processor; plant shrinkage not over 2 per cent of producer receipts; and actual plant shrinkage of non-producer milk.

Class Prices (4.0 per cent butterfat):

A basic formula price is used in determining class prices. The basic formula price is the highest of:

(1) Average of prices paid for 4 per cent milk at the following plants:

Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

Interhandler Transfers:

Milk transferred from a handler's fluid milk plant to another handler's fluid milk plant in the form of milk or skim milk is Class I and milk so transferred in the form of cream is Class II unless the receiving handler (other than a producer-handler) and the seller mutually indicate in writing other utilization.

Skim milk or butterfat in producer milk transferred from a handler's fluid milk plant to the same handler's non-fluid milk plant shall be classified in accordance with either the utilization of such milk at the non-fluid milk plant if there utilized, or in accordance with the provision for transfer to fluid milk or non-fluid milk plants (see above and "Outside Sales"), provided that if the use of such milk at the non-fluid plant is in conjunction with other receipts, the receipt of producer milk shall first be allocated to available Class III milk and any remaining balance shall be allocated to Class II milk and then to Class I milk.

Outside Purchases:

Milk from sources other than producers is deducted in series beginning with the lowest priced class. Milk received by a handler which is determined by the Secretary of Agriculture to be subject to another Federal milk marketing order, is excluded from the pricing and pooling provisions of the Fort Wayne order.

Outside Sales:

Milk disposed of from a handler's plant to a non-fluid milk plant not operated by him in the form of fluid milk or skim milk is considered Class I milk. If both the buyer and seller indicate some other utilization in writing, it will be classified accordingly, subject to verification, provided the buyer's plant is located within 100 miles of Fort Wayne.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

Producer-handlers:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

(1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order), plus amount computed as follows: Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 0.5.

(2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the average price per pound of Twins (or Cheddars), divided by 7, times 1.3, times 4.

(3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 4, plus an amount computed as follows: Price per pound of nonfat dry milk solids (carlots, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area), minus 4 cents, times 8.5, times .96.

Class I - The prices per hundredweight of butterfat and skim milk in Class I are computed as follows (f.o.b. 61-70 mile zone):

(1) Basic formula price plus $1.25 (March through September), basic formula price plus $1.50 (October through February), provided that the resulting price is not less than $5.25 per hundredweight for March through September 1948, or $5.69 per hundredweight for the period October 1948 through February 1949.

(2) The price of butterfat is the sum obtained in (1), multiplied by 17.5.

(3) The price of skim milk is the sum obtained in (1), minus .04 times the price of butterfat pursuant to (2), divided by .96.

Class II - The prices per hundredweight of butterfat and skim milk in Class II are computed as follows:

For Skim Milk - Carlot, spray and roller process, nonfat dry milk solids (excluding that designated as animal feed) f.o.b. manufacturing plants, Chicago area, multiplied by 8.5.

For Butterfat - Chicago 92-score butter minus 3 cents, times 120.

Quad Cities (Iowa-Illinois)

Marketing Area:

Iowa - Cities of Davenport and Bettendorf, and the townships of Davenport, Rockingham, and Pleasant Valley in Scott County.

Illinois - Cities of Rock Island, Moline, East Moline, and Silvis, and townships of South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County.

Handler:

Person who receives milk at a plant from which milk is disposed of as Class I in the marketing area. A producers' association is a handler with respect to milk which it causes to be delivered to a plant as specified above and with respect to milk it causes to be diverted from such a plant to a plant from which no Class I milk is distributed in the marketing area,

Producer:

Person who produces milk which is delivered to a plant or to a cooperative association as specified under "Handler."

Classification:

Class I - Fluid milk, fluid skim milk and unaccounted-for milk.

Class II - Cream, fluid cream products (more than 6 per cent butterfat), buttermilk, flavored milk, and flavored milk drinks.

Class III - Evaporated milk, condensed milk, ice cream, ice cream mix, cottage cheese, unsalted butter, and any milk or cream product not specified in Class II or Class IV.

Class IV - Animal feed, salted butter, cheddar cheese, casein, shrinkage not over two per cent of receipts of milk received from producers and cooperative associations of producers and all shrinkage on "other source" milk.

Class Prices (3.5 per cent butterfat):

Class I - The Class III price for the previous delivery period plus the following amounts:

Delivery Period	Grade A Milk	Non Grade A Milk
January, February, March.....	$0.90	$0.55
April, May, June.....	.70	.35
July through December.....	1.15	.80

Class II - The Class III price for the previous delivery period plus the following amounts:

Delivery Period	Grade A Milk	Non Grade A Milk
January, February, March.....	$0.75	$0.40
April, May, June.....	.55	.20
July through December.....	1.00	.65

Class III - The higher of:

(1) Average of prices paid for 3.5 per cent milk for last half of preceding month and first half of current month, at nine specified plants (see list used for basic formula price in Dubuque order).

(2) Chicago 92-score butter multiplied by 6,
PLUS
Chicago "Twins" multiplied by 2.4;
Divide the above sum by 7 and multiply by 4.55.

Class IV - Chicago 92-score butter multiplied by 4.2,
PLUS
price per pound unground casein at plants in the Chicago area, subtract 14 cents and multiply by 2.3.

Butterfat Differentials:

Class I - Chicago 92-score butter for the preceding delivery period multiplied, for Grade A milk, by 1.4 and, for non Grade A milk, by 1.35, divide the result by 10.

Class II - Same as Class I.

Class III - Chicago 92-score butter multiplied by 0.12.

Class IV - Same as Class III.

Uniform Price - Same as Class III.

Location Differentials:

None.

Method of Accounting for Milk:

Weight of skim milk and butterfat are accounted for separately. Upon completion of classification, the butterfat test of each class is determined.

When a handler receives both Grade A and Non Grade A milk, Grade A milk is allocated to the highest priced classifications and non Grade A milk to the lowest priced classifications.

Skim milk and butterfat caused to be delivered from a producer to another handler by a cooperative association shall be apportioned pro rata over the receiving handler's total utilization remaining after subtraction of "other source" milk and receipts from other handlers (not including cooperative associations).

Type of Pool:

Market-wide, monthly pool without base rating. Separate pool is computed for Grade A and non Grade A milk.

Interhandler Transfers:

Milk moved as fluid milk to another handler is classified as Class I milk; if moved as fluid cream it is classified as Class II milk; except that if the use of such milk or cream in a lower classification by the transferee (who is not a producer-handler) is indicated in writing to the market administrator, the milk or cream may be classified accordingly. If either or both handlers have other source milk, the transfer must be classified to give producer milk the highest valued classification.

Outside Purchases:

"Other source" milk deducted in series from each class beginning with the lowest priced class. "Emergency milk" is allocated in the same proportions as Grade A milk received from producers or other handlers. "Emergency milk" is milk permitted by the health authorities to be labelled "Grade A" and which is received from sources other than producers or handlers during delivery periods in which the market administrator determines that the handler's supply of Grade A milk is insufficient to fulfill his Class I and Class II requirements for Grade A milk.

Outside Sales:

Milk moved as fluid milk to a non-handler is Class I milk; milk moved as cream is Class II except that if the handler and non-handler indicate in writing to the market administrator a different classification, the milk may be classified accordingly, provided the non-handler had equivalent use of milk in the lower classification. Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

Producer-handlers:

Handlers who distribute only milk of their own production are exempt from the regulatory provisions. Such handlers must own and assume personal risk for the management of dairy animals and other resources necessary to produce, process, package, and distribute milk.

Expense of Administration:

Handlers pay administrative costs not to exceed 3 cents per hundredweight.

Special Producer Provisions:

Deductions, as authorized by members, are turned over to the cooperative associations. A marketing service charge not to exceed 6 cents per hundredweight is deducted for nonmembers.

Special Handler Provisions:

Pricing and pooling provisions of Quad Cities order do not apply to a handler who disposes of a greater portion of his milk as Class I and Class II milk in another marketing

area subject to another Federal order. If the price required by the other Federal order is less than the Class I and Class II price under the Quad Cities order, the handler must pay the difference into the producer-settlement fund on all Class I and Class II milk which he sells in the Quad Cities market.

If a handler disposes of more milk than he accounts for in his receipts (overrun) the additional milk is allocated pro rata among the classes of use and then deducted in series beginning with the lowest priced class. A payment is made into the producer settlement fund on overrun at the applicable class prices.

Cincinnati, Ohio

Marketing Area:

City of Cincinnati and Hamilton County, Ohio

Handler:

Person who handles milk which is disposed of as milk in the marketing area.

Producer:

Person who produces milk which is received at a plant from which, under approval of health authorities, milk is disposed of for consumption as milk in the marketing area.

Classification:

Class I - Fluid milk, milk drinks (plain or flavored), and unaccounted-for milk.

Class II - Cream, creamed cottage cheese, and creamed buttermilk.

Class III - Milk products other than those specified in Classes I and II, and shrinkage not over 2.5 per cent of receipts from producers.

Class Prices (4.0 per cent butterfat):

Class I - April through July, Class III price plus $1.05 per hundredweight; all other months, Class III price plus $1.35 per hundredweight. (May through July 1948, Class III price plus $1.35.)

Class II - April through July, Class III price plus $0.60 per hundredweight; all other months Class III price plus $0.90 per hundredweight. (May through July 1948, Class III price plus $0.90 per hundredweight.)

Class III - The Class III price is the higher of:

(1) Average of prices paid for 4 per cent milk at the following plants:

M. & R. Dietetic Laboratories, Inc.,	Chillicothe, Ohio
Carnation Milk Company,	Hillsboro, Ohio
Nestle's Milk Products, Inc.	Greenville, Ohio
Nestle's Milk Products, Inc. (Osgood Milk Co.),	Osgood, Indiana
Carnation Milk Co.,	Maysville, Kentucky

(3) Multiply by 0.035 the price per hundredweight of butterfat made into butter (see Class III price) and add price per hundredweight of skim milk for Class III, multiply by 0.965. (For the months of January, February, March, August, September, October, November and December, use skim milk price minus 20 cents.)

Class I - Prices for skim milk and butterfat computed as follows:

(1) For the months of April through July, add to the basic formula price $0.75 per hundredweight and for all other months $1.05 per hundredweight. (For the months of May, June and July 1948, add to the basic formula price $1.05 per hundredweight.)

(2) Price per hundredweight of Class I butterfat shall be 135 times price per pound of Chicago 92-score butter.

(3) Price per hundredweight of Class I skim milk shall be computed as follows: multiply price for butterfat pursuant to (2) above by 0.035; subtract such amount from the amount obtained in (1) and divide the result by 0.965.

Class II - Price for skim milk and butterfat computed as follows:

(1) For the months of April through July, add to the basic formula price $0.45 per hundredweight and for all other months add to the basic formula price $0.75 per hundredweight. (For the months of May, June and July 1948, add to the basic formula price $0.75 per hundredweight.)

(2) Price per hundredweight of Class II butterfat shall be 130 times price per pound of Chicago 92-score butter.

(3) Price per hundredweight of Class II skim milk shall be computed as follows: multiply price for butterfat pursuant to (2) above by 0.035; subtract such amount from the amount obtained in (1); and divide the result by 0.965.

(3) Disposed of as bulk skim milk to manufacturers of candy, soup, or bakery products who do not dispose of milk in fluid form; and

(4) Plant shrinkage not over 2 per cent of producer milk, and actual plant shrinkage of other source milk.

Class Prices (3.5 per cent butterfat):

A basic formula price is used for Class I, Class II, and Class III prices. The basic formula is the highest of:

(1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order).

(2) Price per pound of Chicago 92-score butter, plus 2.4 times the average price per pound of Twins (or Cheddars), divided by 7, times 1.3, times 3.5.

(3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5, plus an amount computed as follows: Price per pound of nonfat dry milk solids (spray and roller process, human consumption, carlots, f.o.b. Chicago area plants), minus 5.5 cents, times 8.5, times .965.

Class I - Basic formula price plus the following amounts for the delivery period indicated:

Delivery period	Huntington District plants	Other plants
May and June	$1.10	$0.00
March, April, July and August	1.20	1.00
September through February	1.35	1.15

For the months of May, June, July, and August 1948, the price shall be the basic formula price plus $1.35 for plants in the Huntington District and plus $1.15 for other plants.

Huntington District is portion of marketing area within cities of Ashland, Kentucky; Huntington, West Virginia; and Ironton and Gallipolis, Ohio.

Class II - Basic formula price plus the following amounts for the delivery periods indicated:

Delivery period	Huntington District plants	Other plants
May and June	$0.80	$0.60
March, April, July, and August	.90	.70
September through February	1.05	.85

For the months of May, June, July, and August 1948, the price shall be the basic formula price plus $1.05 for plants in the Huntington District and plus 85 cents for other plants.

Class III - Basic formula price.

Butterfat Differentials:

Class I - Price per pound of Chicago 92-score butter, times 1.2, divided by 10, plus one cent.

Class II - Class I differential minus one-half cent.

Class III - Class I differential minus one cent.

Producer Price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Location Differentials:

None.

Method of Accounting for Milk:

Weight of skim milk and butterfat computed separately as used in each class.

Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

(3) Price per pound of New York 93-score butter, times 6, plus 2.4 times the price of Twins (Cheddars), divided by 7, times 1.3, times 3.5.

Class I - January through April - basic formula price plus 50 cents.

May and June - Basic formula price plus 40 cents.

July through December - Basic formula price plus 70 cents.

Class II - The Class II price is computed in accordance with formula (1) used in the basic formula price.

Emergency Provision - Upon a finding by the Secretary of Agriculture that the Class I price computed for any delivery period is not in the public interest, such price shall be the same as the Class I price for the preceding delivery period.

Butterfat Differentials:

Class I Price - Price per pound of New York 93-score butter, times 1.25, divided by 10.

Class II Price - Price per pound of New York 93-score butter, times 1.2, divided by 10.

Producer Price - Price per pound of New York 93-score butter, times 1.2, divided by 10.

Location Differentials:

Class Prices - For Class I milk delivered to a handler's plant located outside the marketing area, the differential is one-half cent for each full mile that such plant is distant from the edge of the marketing area.

Producer Price - Same as Class I price differential.

Method of Accounting for Milk:

Weight of skim milk and cream utilized in the products of each class.

Type of Pool:

Individual handler, monthly pool, without base rating plan or new producer clause.

Class Prices (skim milk and butterfat):

A basic formula price is used for Class I, Class II, and Class III prices. The basic formula price is the higher of:

(1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order).

(2) Price per pound of Chicago 92-score butter, minus 3.5 cents, times 1.2, times 3.5, plus an amount computed as follows: Price per pound of nonfat dry milk solids (carlots, roller and spray process, f.o.b. Chicago area plants), minus 4 cents, times 8.5, times .965.

The basic formula price per hundredweight of skim milk is computed by multiplying the basic formula price (for whole milk) by 0.2798.

The basic formula price per hundredweight of butter is computed by multiplying the basic formula price (for whole milk) by 20.86.

Class I, Class II and Class III Prices - Prices per hundredweight for skim milk and butterfat used in Class I, II, and III are determined by adding the following amounts to the basic formula prices per hundredweight for skim milk and butterfat:

	Skim milk		Butterfat	
	August through March	April through July	August through March	April through July
Class I	$0.2798	$0.2098	$20.86	$15.64
Class II	.2098	.1399	15.64	10.43
Class III	.1679	.0979	12.52	7.30

The prices for skim milk and butterfat in Class III milk shall not be less than the prices of skim milk and butterfat (other than butter) in Class IV milk.

The prices for Class I, Class II and Class III milk for the months of May, June and July 1948, shall be the basic formula price plus the following amounts:

	Skim Milk	Butterfat
Class I	$0.2798	$20.86
Class II	.2098	15.64
Class III	.1679	12.52

Class IV - The price per hundredweight for skim milk is the average price per pound of nonfat dry milk solids (carlots, roller and spray process, f.o.b. Chicago area manufacturing plants), minus 4 cents, times 8.5.

The price per hundredweight for butterfat used in Class IV shall be the price per pound of Chicago 92-score butter, times 120.

A special price for butterfat made into butter is provided. This price is $3.60 less than the regular price of Class IV butterfat.

Emergency Provision - Upon a finding by the Secretary of Agriculture that the price of Class I milk, Class II or Class III milk computed for any delivery period is above a level which is in the public interest, such price shall be the same as the Class I or Class II price for the preceding delivery period.

Butterfat Differentials:

Class Prices - None because skim milk and butterfat are priced separately in each class.

Producer Price - Price per pound of Chicago 92-score butter, times 1.2.

Location Differentials:

None.

Class I - The prices per hundredweight of butterfat and skim milk in Class I (except that used for cream and cream mixtures) are computed as follows:

(1) Add to the basic formula price $0.85 during May and June, $1.15 during September through February, and $1.00 during all other months, except that for May, June, July and August 1948, add $1.15. (For skim milk and butterfat used for cream and cream mixtures in Class I, use the above prices minus 15 cents.)

(2) The price per hundredweight of butterfat is the sum obtained in (1) above, multiplied by 20.

(3) The price per hundredweight of skim milk is the sum obtained in (1) above, minus .035 times the price of butterfat pursuant to (2) above, divided by .965.

Class II - The prices per hundredweight of butterfat and skim milk in Class II are computed as follows:

(1) Add to the basic formula price 25 cents during May and June, 55 cents during September through February, and 40 cents during all other months.

(2) The price of butterfat is the sum obtained in (1) above, multiplied by 20.

(3) The price of skim milk is the sum obtained in (1) above, minus .035 times the price of butterfat pursuant to (2) above, divided by .965.

Class III - The price per hundredweight of butterfat in Class III is computed as follows: Price per pound of Chicago 92-score butter, times 120. The price per hundredweight of butterfat used to produce butter and in allowable shrinkage is $3.60 less.

The price per hundredweight of skim milk in Class III is the average price per pound of nonfat dry milk solids (carlots, roller process, human consumption, f.o.b. manufacturing plants in Chicago area), minus 5.5 cents, times 8.5.

When either formula (1) or formula (2) used in computing the basic formula price results in a higher price than the price of 3.5 per cent milk used in Class III by applying the prices of Class III butterfat, and Class III skim milk set forth above, the price per hundredweight of skim milk used to produce bulk condensed milk, evaporated or condensed milk in hermetically sealed cans, cottage cheese and powdered milk, shall be computed as follows: